



**H.Res. 651 – Recognizing the warm friendship and expanding strategic relationship between the United States and Brazil, commending Brazil on successfully reducing its dependence on oil by finding alternative ways to satisfy its energy needs, and recognizing the importance of the March 9, 2007, United States-Brazil Memorandum of Understanding (MOU) on biofuels cooperation**

**Floor Situation**

H.Res. 651 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Eliot Engel (D-NY) on May 15, 2007. The bill was ordered to be reported by the Committee on Foreign Affairs whereupon it was agreed to be considered under suspension of the rules.

H.Res. 651 is expected to be considered by the House of Representatives on October 9, 2007.

**Summary**

H.Res. 651 resolves that the House of Representatives:

Acknowledges that the United States and Brazil have arrived at the point of a strategic confluence of interests and urges President George W. Bush to continue to deepen the bilateral relationship between the two countries.

Recognizes Brazil's role as a leader in the Western Hemisphere and commends its leadership of the United Nations Stabilization Mission (MINUSTAH) in Haiti.

Commends Brazil for successfully diversifying its energy resources and reducing its dependence on oil.

Recognizes that the United States has arrived at the point of a strategic confluence of interests with Brazil and welcomes continued development in the bilateral relationship between the two countries.

Strongly supports the March 9, 2007, United States-Brazil Memorandum of Understanding (MOU) on biofuels as a major step forward in bilateral relations, hemispheric integration, and energy diversification.

Commends joint efforts by the United States and Brazil for their commitment to use expertise to provide technical assistance for biofuels industries in third countries, currently including the Dominican Republic, El Salvador, Haiti, and St. Kitts and Nevis; and;

Encourages United States and Brazilian officials to quickly identify additional countries in the Western Hemisphere to receive technical assistance related to biofuels.

### **Background**

Following the oil shock of the early 1970s, Brazil chose to reduce its energy vulnerability by choosing sugar-based ethanol to diversify its energy sector and power its automobiles.

With large private and public investments and support from the World Bank, Brazil greatly expanded the amount of sugarcane it produced and began large-scale construction of alcohol distilleries to process sugar into ethanol.

After decades of state investment Brazil has become the world's largest consumer and producer of ethanol from sugar cane. Ethanol supplies 40 percent of the motor fuel used in Brazil and is extremely competitive with gasoline. By the end of 2006, 80 percent of new car sales in Brazil were flex-fuel, meaning that they can run on ethanol, gasoline, or any mixture of both.

On March 9, 2007, the United States and Brazil--the world's two largest ethanol producing countries--signed a Memorandum of Understanding (MOU) to promote greater cooperation on ethanol and biofuels in the Western Hemisphere.

The United States-Brazil MOU involves technology-sharing between the United States and Brazil, feasibility studies and technical assistance to build domestic biofuels industries in third countries, and multilateral efforts to advance the global development of biofuels. It is hoped that through this partnership the United States will be able to lessen its dependence on foreign oil.

### **Staff Contact**

For questions or further information contact Luke Hatzis at (202) 226-2302.